

# ARGYLL BRAND BUILDS FOOD SUCCESS



Improving Scotland's  
food and drink businesses  
through collaboration

**SCOTLAND**  
THE FOOD & DRINK NATION

Forteith Foodservice is a distribution business based in Oban, Argyll. The firm was established in 1955 and now employs 50 people serving 1500 trade customers. The company operates in some of the most difficult territory in Scotland, within a 100 mile radius of Oban, from Invergary in the North, the Inner Hebrides to the West and Arran to the South.

Forteith offers a wide range of frozen, chilled and ambient foods and refrigeration equipment to the catering and retail trade, in addition to operating a licensed on-site butchery. In the 1990s it expanded its warehousing threefold and, in 2003, a further expansion doubled its capacity – it now has a capacity of 1200 pallets, and offers 15,000 product lines at any one time. The company has gone from strength to strength under its senior partner, John Forteith.

Around 50 per cent of the company's annual turnover is generated in the three months of the summer season when the area is filled with tourists.

In the last three years John has begun working with local producers to develop premium branded local food for the local market, sold exclusively by the company under the Argyll brand.



The origins of the Argyll brand lie in the year-round demand for venison and the seasonal nature of the product. Having the butchery facility, chillers and freezers, meant that John could start to work with local producer Rob Cameron, based at Seil Island near Oban, to develop a regular supply of the product and a brand identity under which it could be sold. The Argyll brand was born. Today, the company 'banks' venison carcasses or main cuts by freezing them and offers the meat all year round.



John Forteith

But, says John, because customers mainly want prime cuts, they use these to service their premium customers first and promote uses for alternative cuts to other customers. The company is now selling 20 tonnes of venison each year under the Argyll brand.

In 2009, John was approached by Seumas MacFadyen and Paula Gillespie who were rearing pigs in a small way at Benderloch near Oban. Says Seumas: "We started with two pigs in the garden and thought about developing them as a business. There were disused pig units nearby, which we knew were suitable and were available for rent, so we went to speak to John Forteith and the company gave us an order for 100 pigs."

They now rent the farm buildings and have an exclusive arrangement with Forteith. The produce is marketed by the company under the Argyll Pork brand.

Lamb was added to the Argyll brand in 2009, following a joint project between Argyll Hill Lamb farmers, the Cultivating Collaboration project, Argyll and Bute Council, Argyll and Bute Agricultural Forum and Forteith.

The project was set up to help facilitate access for the farmers to supply lamb to local schools through the council. The most effective way of achieving this was by using a proven supply chain – farm, slaughterhouse, processor and wholesaler. The project set out to test the financial viability of supplying local lamb to local restaurants and schools. Farmers involved in the pilot retained ownership of the animal through finishing and slaughter until it reached Forteith. The company sold the diced shoulder to the Council for school meals, with more expensive cuts going to local hotels and restaurants, and lamb steak burgers to Caledonian MacBrayne. Any premium achieved from the local provenance of the lamb was passed back to the farmers.

Angus MacFadyen, who farms at Kilniver near Oban, is among the hill farmers involved in the project. He says: "Our lambs have a very high health status, as they are born, bred and reared on the hills before being moved off for finishing. It is a high quality product sourced locally and being sold locally which gives the whole food story for Argyll."

The project has now been scaled up and the farmers are moving towards forming a co-operative, with Forteith taking a substantial number of the lambs for sale.



Angus MacFadyen



## BUILDING THE BRAND

What characterises the venison, pork and lamb ventures is that they have been developed as partnerships between the suppliers and John Forteith. This is important as it enables the parties to agree prices before going into the market, which gives each of them a profit.

Says John: "One of the issues which a lot of small suppliers face is that they don't factor in distribution costs to the price they take for their goods. If they then build up a reasonable customer base, they have to look closely at how they manage distribution. They may then approach a distributor, but they've already set a price for the customer which won't allow the distributor to make a margin.

"With the producers who are supplying the Argyll brand, we have agreed prices which allow all of us to make some margin."

One of the other key characteristics of these relationships is maintaining quality and consistency of supply.

"When we're looking at a local producer they have to be open and honest with us, good at communication, and they also have to have good quality products, ideally within a brand we can associate with the product. That will add value to our customers," says John.

"Consistency of supply is very important. Caterers, for example, are looking to set

menus including local venison, beef, pork and lamb. They don't want these high value items to be off sale – finding a mechanism to make it readily available is the key to success.

"For retailers, they are looking for loyalty from the consumer to the local grocery shop. They want to build that loyalty by being the only place in a 20 mile radius which can supply local produce."

For Seumas MacFadyen and Paula Gillespie, quality and the ability to supply consistently are integral to their business.

They deal mostly in old breeds and are concerned more with quality than volume, unlike the big commercial breeders.

"We haven't had any problems with Forteith on quality or supply," says Paula," although it has been a learning curve for us to establish exactly what they want in terms of weight and meat to fat ratio, for example. We have found that the Oxford Sandy Black crossed with a Saddleback produces the perfect balance of meat and fat, and we are moving towards this as our main breed. "

They have agreed with John Forteith that the expansion of the Argyll Pork brand will happen gradually in order to allow them to grow their business to ensure that they can meet customer demands.

## EVERYONE'S A WINNER

For Forteith, the development of the Argyll brand has allowed the company to add exclusive lines to its offering within its distribution area. "In addition", says John, "we have a direct supply relationship with producers who are experts in their sectors and who are focussed on the volume and quality of product they are supplying to Forteith. This gives us access to produce with excellent provenance."

This in turn, is adding value to the businesses supplied by Forteith with premium branded, local produce.

For the producers, Forteith charges very little for brand development and marketing as it has an exclusive deal on their products. Having a single buyer removes the need to try to sell their produce on the open market which is subject to fluctuating prices. For Seumas MacFadyen and Paula Gillespie, this means that some years they will do better if the price of pork goes down but, in other years, they may not do so well if the market price climbs. However, this is offset by the ability to plan because they have price stability and a guaranteed income.

They, and the other producers, have all the benefits of being associated with a major business like Forteith – a substantial customer base, links to national brands carried by the

company, credibility and a faster, more efficient route to market.

For both Forteith and its suppliers, it means they can develop a premium brand and capitalise on the provenance of the produce.

For its customers, it means adding value through new products and differentiation from large retailers. And, ultimately, for the consumer, it means good quality, local food in restaurants and local shops.



Seumas MacFadyen and Paula Gillespie at Benderloch

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### For further information about the Cultivating Collaboration project

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